CITY OF AUSTIN

Office of the City Auditor
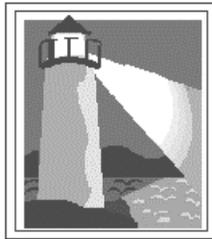
Annual Performance Plan

City Auditor
Stephen L. Morgan, CIA, CFE, CGAP, CGFM

Deputy City Auditor
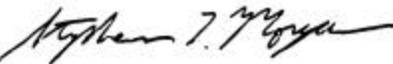**Colleen G. Waring, CIA, CGAP, CGFM**

City of Austin

MEMO

Office of the City Auditor

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November 21, 2002

To: Mayor and Council Members

From: Stephen L. Morgan, City Auditor

Subject: Approved OCA CY 2003 Performance (Work) Plan

Thank you for your assistance in developing our CY 2003 Performance (Work) Plan. With your input and approval, we will be carrying out projects in the following five areas:

1.   Results: Optimize quality of City outputs or outcomes for selected Council priorities.
2.   Economy: Optimize revenues and reduce selected expenditures.
3.   Compliance and Safeguarding: Adherence to policy or laws; public integrity; safeguarding of assets.
4.   Austin Energy: Conduct audits in partnership with Austin Energy, as requested by City Council.
5.   Follow-Up Verification

The attached plan presents two major changes from previous years. First, we are shifting to a calendar year planning time frame to facilitate identification and completion of projects. Second, we are narrowing project level audit scopes, which will mean more focus but less risk assessment and a lower level of assurance that significant issues are being identified. We intend to partially compensate for this scope reduction by conducting a City-wide risk assessment based on a three-year cycle, i.e., one-third of City programs will be assessed each year.

The draft plan was presented to the Council Audit and Finance Committee on November 5, 2002, and formally approved at the November 19, 2002 Audit and Finance Committee meeting.

cc: Toby Futrell, City Manager
    Juan Garza, General Manager, Austin Energy

Office of the City Auditor
CY 2003
Proposed Performance Plan

PG #	Performance Goals & Strategies	CY 2003 PROJ BUD	
	Results: Optimize quality of City outputs or outcomes for selected Council priorities.		
2	Identification of High Risk Issues (three-year cycle)	3500	
2	Law Department--Service Availability	1500	
2	Public Safety--CAD/RDMT Implementation Status	1500	
2	Human Resources Department--Customer Service	1500	
2	Cultural Arts (Assist AAC Review FY 04 Applications)	400	
3	Affordable Housing II--Closeout	300	
3	Reserve	400	
	Economy: Optimize revenues and reduce selected expenditures.		
4	Health Insurance Duplicate Claim Recovery	1200	
4	Newly Annexed Areas – Property Tax	1600	
4	Newly Annexed Areas--CIS Fee Billing Timeliness	1300	
4	Property Tax – Exemptions	1000	
4	Newly Annexed Areas – Sales Tax	1500	
	Compliance & Safeguarding: Adherence to policy or laws; public integrity; Safeguarding of assets		
5	Construction/CIP Compliance Audit-Selected Contractor	1500	
5	Management Control Letter--DOT Compliance	200	
5	Contract for and complete peer review	300	
5	**INTEGRITY UNIT**	**4500**	
5	Respond to Complaints		
5	Proactive Fraud Detection		
5	Management Integrity Committee Activities	200	
	Austin Energy: Conduct audits in partnership with Austin Energy, as requested by City Council.		
6	Account collections and bad debt expense--Priority findings	1000	
6	Account collections and bad debt expense--Add'l findings	500	
6	Wholesale Marketing Group--ERCOT Billing Accuracy	1500	
	Follow-Up Verification		
7	Solid Waste Services Safety Audit	800	
7	Parks Safety Audit	800	
	TOTAL HOURS	**27,000**	27,000 Maximum available hours for FY 2003
	FTEs (at 1500 direct hours available per FTE)	**18.00**	18.00 Authorized FTEs (@22 less Admin. Staff-2 & Exec. Mgt-2)

Black = Proposed new project; Red = Carryover project from FY 2002; Blue = Continuing responsibi

Results: Optimize quality of City outputs or outcomes for selected Council priorities.

Performance Strategies: Results Projects	PROJ HOURS TO COMPLETE	Comments
Ongoing Identification of High Risk Issues (three-year cycle for completion) • Conduct risk assessment of City operations to set priorities for first-year vulnerability assessment of one-third of City; • Initiate development of a list of high risk issues that may require the attention of Council or CMO.	3500	
Law Department—Service Availability • Compare distribution of in-house legal specialties to current City business needs;	1500	
Public Safety—CAD/RDMT Implementation Status • Determine the implementation status of the CAD/RDMT project and the level of functionality anticipated to be achieved upon implementation.	1500	
Human Resources Department—Customer Service • Does HRD respond effectively and consistently to assistance requests from employees and managers? • Has HRD identified relevant customers for different services?	1500	
Cultural Arts Assistance (FY 04 Funding Cycle) • Assist Austin Arts Commission in reviewing applications during interim process for FY 04 funds allocation. • Review accuracy of staff eligibility determinations.	400	

Black = Proposed new project; Red = Carryover Project from FY 2002; Blue = Continuing Responsibility
Print date: 11/21/2002

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Carryover Results Projects

Performance Strategies: Results Projects	PROJ HOURS TO COMPLETE	Comments
Affordable Housing II Complete presentation and closeout.	300	
Reserve Time allocated for OCA staff to provide special-request, narrow-scope audit services, in accordance with Audit and Finance Committee approval.	400	

Economy: Optimize revenues and reduce selected expenditures.

Performance Strategies: Economy Projects	PROJ HOURS TO COMPLETE	Comments
Health Insurance Duplicate Claim Recovery	1200	
• Provide assurance as to accuracy of payments by the City's third-party administrator for health insurance;		
• Provide staff support to consultant for detailed review.		
Newly Annexed Areas – Property Tax	1600	
• Identify opportunities to optimize revenues;		
• Determine accuracy of property tax remittances from border and newly annexed areas.		
Newly Annexed Areas – CIS Fee Billing Timeliness	1300	
• Determine the extent of outstanding service fees (such as Drainage, etc.) remaining to be billed to newly annexed addresses.		

Carryover Economy Projects

Performance Strategies: Economy Projects	PROJ HOURS TO COMPLETE	Comments
Property Tax – Exemptions	1000	
• Complete fieldwork, report, and closeout;		
• Determine if property tax exemptions are valid.		
Newly Annexed Areas – Sales Tax	1500	
• Complete fieldwork, report, and closeout;		
• Determine accuracy of sales tax remittances from border and newly annexed areas.		

Austin Energy:
Audits conducted in partnership with Austin Energy, in accordance with Council direction.

Performance Strategies: Compliance and Safeguarding	PROJ HOURS TO COMPLETE	Comments
Account collections and bad debt expense -Priority Findings	1000	
• Analyze and follow through on key findings of January 2002 consultant report on improving account collections.		
Account collections and bad debt expense -Additional Findings	500	
• Analyze and follow through on second-tier findings of January 2002 consultant report on improving account collections.		
Wholesale Marketing Group—ERCOT Billing Accuracy	1500	
• Assess the accuracy of the ERCOT's billing to AE, relative to Wholesale Marketing Group records.		

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Follow-Up Verification:
Audits conducted to verify management's report of implementation status for prior audit recommendations. (Required by Government Auditing Standards)

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Performance Strategies: Follow-Up	PROJ HOURS TO COMPLETE	Comments
Solid Waste Services Safety Audit	800	Schedule project to begin March-April 2003.
• Verify reported implementation status of selected recommendations from 2001 audit of SWS Employee Safety.		
Parks Safety Audit	800	
• Verify reported implementation status of selected recommendations from 2001 audit of Park Employee Safety.		

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